FINANCIAL STATEMENTS (Reviewed)

Covington, Louisiana

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Release Date 7 26/06



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A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 6

FINANCIAL STATEMENTS (Reviewed)

Covington, Louisiana

YEAR ENDED DECEMBER 31, 2005

December 31, 2005

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NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT

Board of Commissioners St. Tammany Parish Fire Protection District No. 6 Covington, Louisiana

We have reviewed the accompanying basic financial statements, as listed in the table of contents, of the St. Tammany Parish Fire Protection District No. 6, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2005. These financial statements are the responsibility of the St. Tammany Parish Fire Protection District No. 6's management.

Our review was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. A review consists principally of inquiries of St. Tammany Parish Fire Protection District No. 6 personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Bemard & Franker

June 30, 2006

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET December 31, 2005

See Accountant's Reveiw Report

4 DOTTING	G 	ENERAL FUND	ADJUSTMENTS (EXHIBIT A)		STATEMENT OF NET ASSETS	
ASSETS	*	120 206	\$		\$	120 206
Cash Due from other government units	\$	129,206	Þ	-	Þ	129,206
Ad Valorem Taxes		172,511		_		172,511
Revenue Sharing		172,311		-		12,075
FEMA Reimbursements		51,754		_		51,754
Prepaid Insurance		24,741		_		24,741
Capital assets		24,741				27,171
Non-depreciable		_		44,177		44,177
Depreciable, net of accumulated depreciation				792,557		792,557
TOTAL ASSETS	\$	390,287	\$	836,734	<u>\$</u>	1,227,021
LIABILITIES Accounts payable and accrued expenditures	\$	34,908	\$		\$	34,908
Long-term liabilities:	•	·				•
Due within one year		-		21,067		21,067
Due after one year				211,173		211,173
TOTAL LIABILITIES	\$	34,908	\$	232,240	\$	267,148
FUND BALANCE/NET ASSETS						
Fund balance - unreserved	\$	330,638	\$	(330,638)	\$	_
Fund balance - reserved - prepaids		24,741		(24,741)		
	\$	355,379	\$	(355,379)	\$	-
TOTAL LIABILITIES &						
FUND BALANCE	\$	390,287				
Net assets:						
Invested in capital assets,						
net of related debt			\$	604,494	\$	604,494
Unrestricted				355,379		355,379
Total net assets			\$	959,873	\$	959,873

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS (EXHIBIT A)

December 31, 2005 See Accountant's Review Report

Fund Balance - Governmental Fund

\$ 355,379

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.

Governmental capital assets
Less accumulated depreciation

\$ 1,129,457 (292,723)

836,734

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Capital lease payble

(232,240)

Net Assets of Governmental Activities

\$ 959,873

See notes to financial statements.

STATEMENT OF ACTIVITIES AND STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

December 31, 2005 See Accountant's Reveiw Report

	GENERAL FUND		ADJUSTMENTS (EXHIBIT B)		STATEMENT OF ACTIVITIES	
REVENUES:						
Taxes	\$	161,044	\$	-	\$	161,044
Intergovernmental:						
State of Louisiana:						
State revenue sharing		12,432		-		12,432
Fire insurance tax		11,791		-		11,791
FEMA grant		61,452		-		61,452
FEMA reimbursement		51,754		-		51,754
Miscellaneous:						
Interest		1,355		-		1,355
Sale of asset		1,635		-		1,635
Insurance reimbursement		21,866			-	21,866
Total revenues	\$	323,329	_\$		\$	323,329
Expenditures/Expenses						
Current:						
Public safety:						
Professional fees	\$	9,400	\$	-	\$	9,400
Insurance		30,628		-		30,628
Repairs and maintenance		12,163		-		12,163
Utilities		5,054		-		5,054
Truck expense		11,661		-		11,661
Training		5,071		-		5,07 1
Dispatch fees		10,470		-		10,470
Interest		12,597		-		12,597
Telephone		9,986		-		9,986
Supplies		8,428		-		8,428
Depreciation		-		48,264		48,264
Total Public Safety		115,458		48,264		163,722
Capital outlay and debt reduction		95,865		(95,865)		<u> </u>
Total expenditures/expenses	\$	211,323	\$	(47,601)		163,722
EXCESS OF REVENUES						
OVER EXPENDITURES	\$	112,006	\$	(112,006)	\$	_
Change in Net Assets	\$	-	\$	159,607	\$	159,607
FUND BALANCE/NET ASSETS						
Beginning of year		241,008		559,258		800,266
End of year	\$	353,014	\$	606,859	\$	959,873

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES (EXHIBIT B)

December 31, 2005 See Accountant's Review Report

Net Change in Fund Balance - Governmental Fund

\$ 112,006

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay and debt reduction

\$ 95,865

Depreciation expense

(48, 264)

Deficiency of capital outlay over depreciation expense

47,601

Change in Net Assets of Governmental Activities

\$ 159,607

See notes to financial statements.

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

GENERAL FUND

December 31, 2005 See Accountant's Review Reort

							FINA	ANCE WITH
		BUDGETED UGINAL	AMOUNTS ACTUAL FINAL AMOUNTS			FAVORABLE (UNFAVORABLE)		
		OONAL		FINAL	_ <u>A</u>	WOUN13	TONE.	AVORABLE
REVENUES:								
Taxes	\$	165,000	\$	150,000	\$	161,044	\$	11,044
Intergovernmental:								
State of Louisiana:								
State revenue sharing		12,000		12,000		12,432		432
Fire insurance tax		11,000		11,800		11,791		(9)
FEMA Grant		-		61,450		61,452		2
FEMA Reimbursements		-		50,400		51,754		1,354
Miscellaneous:								
Interest		1,000		1,300		1,355		55
Sale of asset		-		4,000		1,635		(2,365)
Insurance reimbursement				21,800	_	21,866		66
Total revenues		189,000	_\$	312,750	_\$_	323,329	_\$	10,579
Expenditures								
Current:								
Public safety:								
Professional fees	\$	12,000	\$	12,000	\$	9,400	\$	2,600
Insurance		30,000		33,000		30,628		2,372
Repairs and maintenance		15,000		34,000		12,163		21,837
Utilities		6,000		6,000		5,054		946
Truck expense		5,000		13,000		11,661		1,339
Training		3,000		6,000		5,071		929
Dispatch fees		9,000		9,000		10,470		(1,470)
Interest		12,600		12,600		12,597		3
Telephone		14,000		14,000		9,986		4,014
Supplies		26,000		18,200		8,428		9,772
Total Public Safety		132,600		157,800		115,458		42,342
Capital outlay, debt reduction								
and interest		56,400		154,950		95,865		59,085
Total expenditures	<u> </u>	189,000	\$	312,750	_\$_	211,323	_\$	101,427
EXCESS (DEFICIENCY) OF REVE	NUES							
OVER EXPENDITURES	<u></u>		\$			112,006		112,006
FUND BALANCE								
Beginning of year		241,008		241,008		241,008		
End of year	\$	241,008	\$	241,008	\$	353,014		

See notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Tammany Parish Fire Protection District No. 6 (the District) was created on September 17, 1970 by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statute 40:1492. The District was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and other such things necessary to provide proper fire prevention and control within the District's limits. The administration of the District is governed by a board of commissioners consisting of 5 members who are resident property taxpayers of the district. These members are appointed by the St. Tammany Parish Police Jury and serve 2 years without remuneration. The District operates three fire stations and provides fire protection services in an area covering approximately 55 square miles.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of St. Tammany Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the Comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2005.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. The governmental-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the District continue to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Management's Discussion and Analysis:

Governmental Accounting Standards Board Statement No. 34 include a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

d) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) <u>Use of Estimates</u>

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

f) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America and is included in the budget presentation in the basic financial statements.

g) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the fund.

h) <u>Cash</u>

Cash included amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or banks having their principal offices in Louisiana.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings 40 years
Furniture and equipment 5-10 years
Vehicles 15 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) <u>Long-Term Debt</u> (continued)

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

k) Vacation, Sick Leave, and Pension

All members of the District's firefighting force serve as volunteers. Therefore, the District does not have a vacation, sick leave or pension plan.

l) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2005 and for the year then ended, the District did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

NOTE 2. DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured and uncollateralized.

The year end balances of deposits are as follows:

		Bank Balances Category		
	1	2	3	Book <u>Balance</u>
Cash	\$ 100,000	\$ 29,206	\$	\$ 129,206
Totals	<u>\$ 100,000</u>	<u>\$ 29,206</u>	\$	<u>\$ 129,206</u>

At December 31, 2005 the District held cash (book balance) of \$129,206 in interest bearing demand deposits. These deposits were secured from risk of FDIC insurance and pledges of security by the fiscal agent bank.

NOTE 3. PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amounts of the taxes. The tax rate for the year ended December 31, 2005 was \$16.78 per \$1,000 of assessed valuation on property within the District for the purpose of constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2005 consisted of the following:

St. Tammany Parish Tax Collector - December, 2005 collections remitted to the District in 2006:

Ad valorem taxes	\$ 172,511
State revenue sharing	12,075
FEMA reimbursements	51,754
Total	<u>\$ 236,340</u>

NOTE 5. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance January 1,2005	Additions	Adjustments	Balance December 31, 2005
Capital assets not being deprecia			_	
Land	\$ 44,177	\$	<u>\$</u>	\$ 44,1 <u>77</u>
Capital assets being depreciated:				
Buildings	327,986			327,986
Furniture and equipment	186,373	75,800		262,173
Vehicles	<u>498,995</u>		(3,873)	495,122
Total capital assets being depreciated	1,013,354	75,800	(3,873)	_1,085,281
Less accumulated depreciation for	or:			
Buildings	(35,732)	(7,381)		(43,113)
Furniture and equipment	(73, 190)	(17,711)		(90,901)
Vehicles	(137,045)	(23,172)	1,507	<u>(158,710)</u>
Total accumulated depreciat	ion <u>(245,967)</u>	(48,264)	1,507	(292,724)
Total capital assets being depreciated, net	767,387	27,536	(2,366)	792,557
Total capital assets, net	<u>\$ 811,564</u>	<u>\$ 27.536</u>	\$ (2,366)	<u>\$ 836,734</u>

The adjustments are based on a physical inventory.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2005 consisted of the following:

Vendors

\$ 34,908

NOTE 7. CAPITAL LEASE

The District entered into a lease agreement for the acquisition of two fire trucks. The trucks have a carrying value of \$235,684 at December 31, 2005. This lease qualifies as a capital lease.

The debt service for the capital lease is as follows:

Year Ending	Governmen	Governmental Activities			
December 31,	<u>Principal</u>	<u>Interest</u>			
2006	\$ 21,068	\$ 11,593			
2007	22,120	10,544			
2008	23,224	9,439			
2009	24,384	8,280			
2010	25,601	7,062			
2011	26,880	5,784			
2012	28,222	4,442			
2013	29,631	3,033			
2014	31,111	1,553			
	\$ 232,241	\$ 61,730			

For the capital lease, the total principal and interest component equal the required minimum payment for the year shown. The principal payment equals the net present value of the lease at 5% interest per year.

Changes in long-term debt for governmental activities are as follows:

	Capital
	Lease Obligation
Balance at January 1, 2005	\$ 252,307
Addition	
Payments	<u>20,066</u>
Balance at December 31, 2005	\$ 232,241

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2005 See Accountant's Review Report

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; for which the District carries commercial insurance. The premiums for group insurance are based on a fixed rate per employee. There was no litigation pending against the District as of December 31, 2005.

NOTE 9. COMPENSATION OF BOARD MEMBERS

The Board of Commissioners serves the District without compensation.



BERNARD & FRANKS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners St. Tammany Parish Fire Protection District No. 6 Covington, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the St. Tammany Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the St. Tammany Parish Fire Protection District No. 6 compliance with certain laws and regulations during the year ended December 31, 2005 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS38:2211-2251 (the public bid law).

There were no expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

 Obtain from management a list of the immediate family members of each board member as defined by LSA-RS42:1101-1124 (the code of ethics) and a list of outside business interest of all board members and employees, as well as their immediate families.

We obtained a list of family members and outside business interests for each board member.

3. Obtain from management a listing of all employees paid during the period under examination.

We obtained a listing of all employees paid for the year ended December 31, 2005 from management.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

No employees included in the listing obtained from management were included in the listing of family members.

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with copies of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

The budget adoption was traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenue and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

There were no unfavorable budget variances which exceeded budgeted amounts by 5%.

ACCOUNTING AND REPORTING

- 8. Randomly select 6 disbursements made during the period under examination and:
 - (a) Trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval obtained.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS42:1 through 42:12 (the open meetings law).

Agendas for meetings were posted as required by law.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advance or gifts.

We examined the payroll records and minutes for the year and determined that no payments were made to employees who constitute bonuses, advances or gifts.

Bernard & Franks

June 30, 2006

LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Government)

May /6, 2006 (Date Transmitted)
BERNALD & FRANKS CPA'S
4141 USTELANS BIND
Soite \$13
MeTailie, LA 70002 (Auditors)
In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the <i>Louisiana Governmental Audit Guide</i> , we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.
These representations are based on the information available to us as of (date of completion/representations).
Public Bid Law
It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office Yes [X] No []
Code of Ethics for Public Officials and Public Employees
It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124. Yes [X] No []
It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119. Yes [X] No []
Budgeting
We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.
Yes [X] No []
Accounting and Reporting
All non-exempt governmental records are available as a public record and have been retained for
at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36. Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [1/2] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII. Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Treasurer <u>5-19-06</u> Date

President 5-19-06 Date